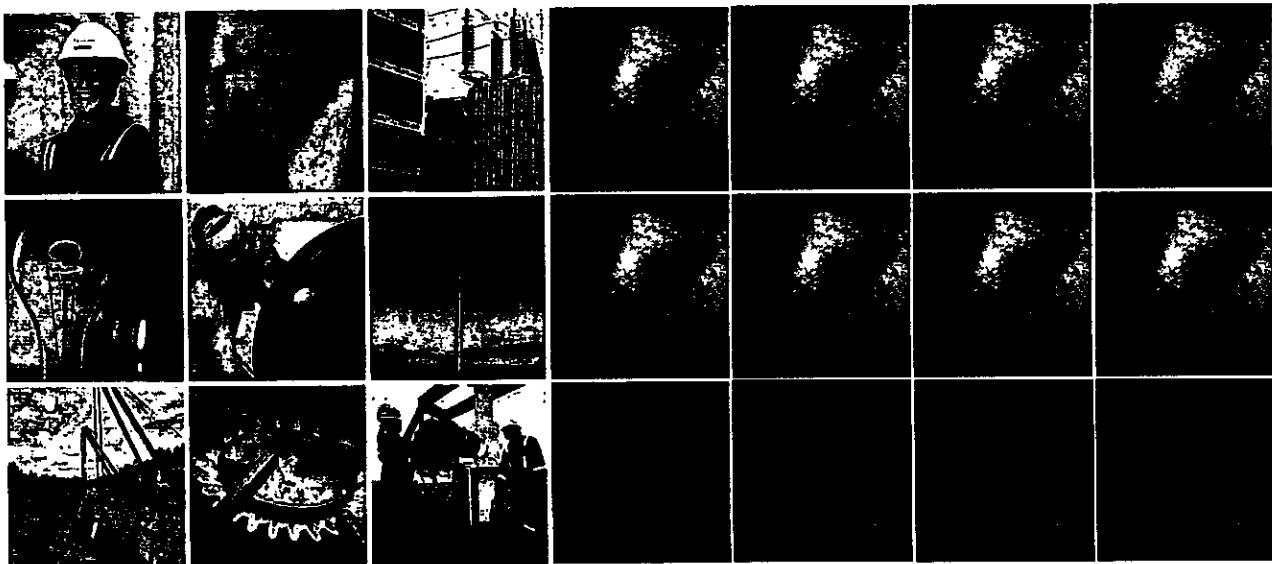


RELEASED IN FULL



## Proposed Keystone XL Pipeline Project State Department Briefing

June 2, 2008



REVIEW AUTHORITY: Adolph Eisner, Senior Reviewer

## Objectives/Agenda

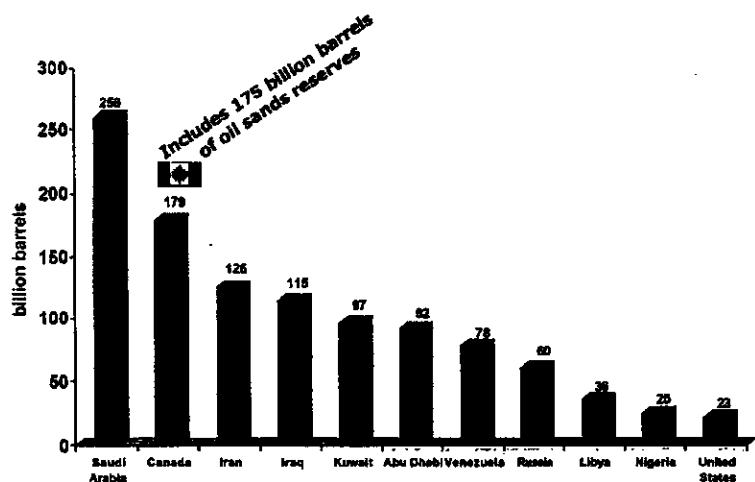
- Introduction to Proposed Keystone XL Project
- Relationship to Keystone Pipeline Project
- Current Status
- Major Permits and Regulatory Reviews
- Project Schedule
- Lead Agency Issue

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## Project Description—Purpose and Need

- Purpose: Transportation of crude oil from Canadian oil sands deposits to U.S. refineries on the Gulf Coast
- Need: Stable supply of crude oil to meet U.S. long-term demand



**Largest World Oil Reserves**  
(CAPP, 11/25/2004, Source: Oil and Gas Journal)

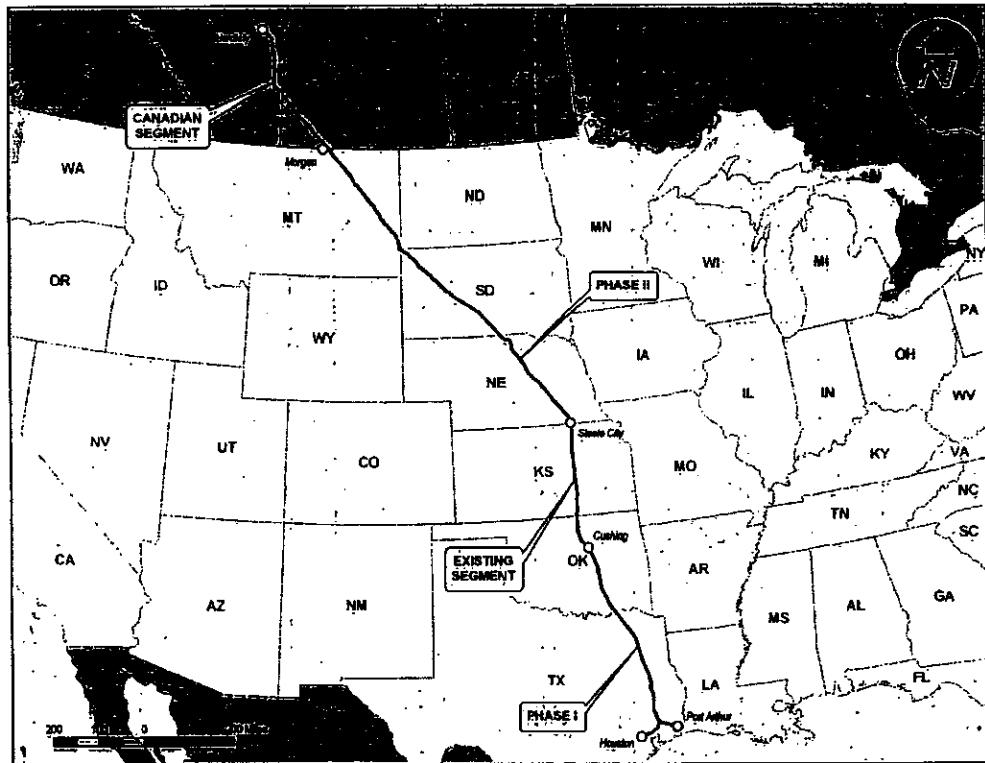
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### Benefits:

- Security of supply
- Reduce dependency on offshore oil
- Safest and most economical way of delivering supply to market
- Short and long term economic benefits



## Project Description - Overview



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## Project Description – Preferred Route



- Project commences at Hardisty, AB and extends ~ 327 miles to Monchy, SK.
- Crosses US border at Morgan, MT.
- Preferred route in US consists of northern and southern segments, plus use of Cushing Extension of Keystone project
- ~836 miles from Morgan, MT, across MT, SD, NE, to interconnection with Cushing Extension at Steel City, NE
- ~ 478 miles from Cushing, across OK and TX to existing terminal at Nederland, TX
- Additional ~50-mile lateral from Liberty Co. TX to Houston Ship Channel area.

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## Project Description - Facilities



- Initial nominal capacity of 700,000 bpd. Capable of expansion to nominal capacity of 900,000 bpd
- Light to heavy crude types
- 36-inch diameter pipe
- 4 ft typical depth of cover
- 50 ft wide permanent right-of-way
- ~30 pump stations in U.S.; tank farms at Steele City, NE, and in TX (location under review)
- Associated facilities (power, work camps, access roads, etc.)

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## Relationship to Keystone

- Developed in response to shipper expressions of need for incremental pipeline capacity from Hardisty to Gulf Coast refineries
- Demand for second project matured post-Keystone –
- No formal announcement of Open Season to date; anchor commercial arrangements still being finalized
- Complementary to the Keystone Project
- Utilizes Keystone Cushing Extension



## Current Status



- Commercial Negotiations with Anchor Shippers at advanced stage
- Preliminary SF 299 filed with BLM in March - *Right of way down* *for construction of BLM*
- Environmental surveys commenced
- Landowner contacts underway/survey permission efforts ongoing
- Open Houses planned for summer 2008 - *inform* *Landowners*.

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## Major Permits and Regulatory Reviews

- State Department - Presidential Permit Authorizing Border Crossing
- Bureau of Land Management - Grant of ROW across Federal Lands
- US Army Corps of Engineers – Permits and Easements
- USFWS – Consultation under ESA Section 7
- ACHP – NHPA Section 106
- EPA – NEPA Oversight
- PHMSA – Pipeline Safety, Emergency Response, Special Permit
- State Siting Permits in Montana and South Dakota

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## Project Schedule



- Project Announcement: Targeted for Q2 2008
- Field surveys: 2008 and 2009
- Major Regulatory Filings: Q3 2008 through Q1 2010
- Presidential Permit application targeted for November 2008
- Receipt of Federal and State Permits: Beginning in Q1 2010
- Construction Start: Q2 2010
- In-service: Phase I – Q4 2010; Phase II – Q4 2011



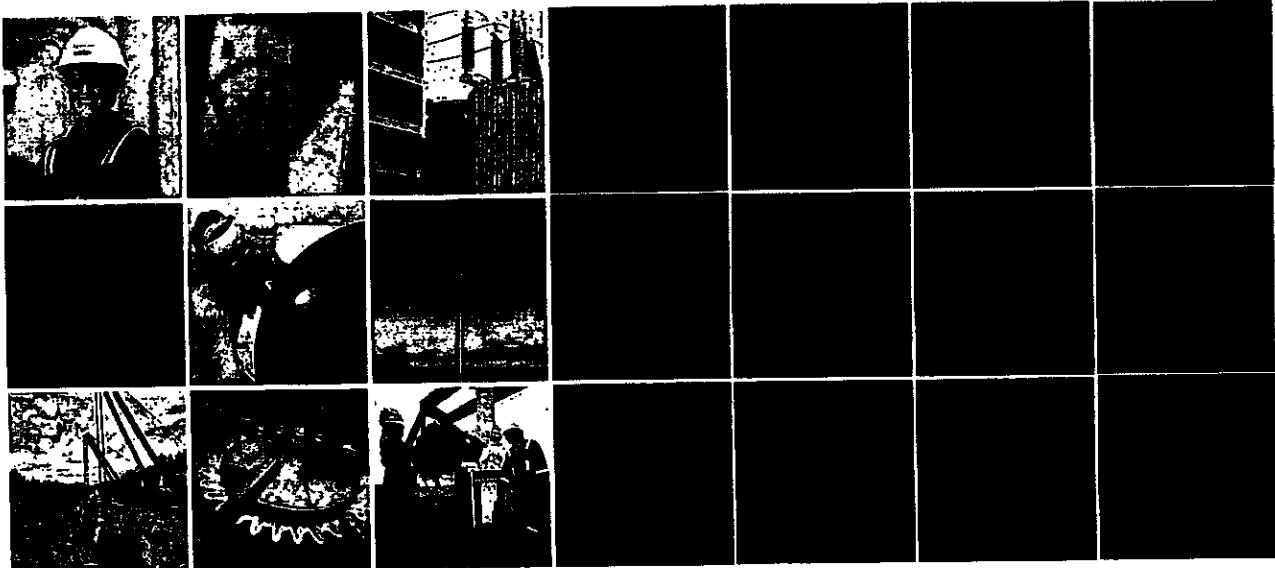
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More Information

- KXL informational website now live:
- [www.transcanada.com/keystone/kxl/html](http://www.transcanada.com/keystone/kxl/html)

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**THANK YOU**

